



Foreign Agricultural Service

**GAIN Report**

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## Malaysia

## Oilseeds and Products

## Update (August)

## 2002

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### Report Highlights:

Malaysia's CPO production rose 12.6 percent to one MMT in July, 2002. Carry-over stock level rose marginally to 942 TMT at the end of July. The average local CPO price rose from US\$355/MT in July to US\$385/MT for the first half of August.

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Kuala Lumpur [MY1], MY

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## **Executive Summary**

### **Production**

The Malaysian Palm Oil Board (MPOB) reported that total crude palm oil (CPO) production rose 6.9 percent from 944 TMT in the month of June 2002 to one MMT in July. Output in the Peninsula rose by 12.6 percent in June while East Malaysia's production dropped by 2.2 percent. Compared to July 2001, output during July 2002 was higher by 12.5 percent. CPO output is experiencing a seasonal uptrend and Post expects its forecast of CPO production to be on track to reach to 3.0 MMT during the Jul-Sep quarter, bringing the total output for the whole year 2001/02 to 11.5 MMT.

### **Price**

Anticipation of low stock levels in the Jul-Sep quarter influenced the strengthening of the local CPO prices during the first half of August. The monthly average CPO price was rose from US\$355/MT in July to US\$385/MT for the first half of August. For comparison, the average CPO price for August, 2001 was US\$320/MT. RBD Palm Oil FOB average price also dropped from US\$373/MT in July to US\$397/MT for first half of August.

### **Stocks**

Due to a sharp increase in CPO output, the PO stock level rose by 3.2 % to 942 TMT at the end of July. Post expects strong overseas demand to drive the carry-over stocks down to 920 TMT by the end of September.

### **Trade**

Preliminary official PO exports increased marginally from 880 TMT in June to 885 TMT in July.

## Annual Situation

PS&D table for palm oil remains unchanged since the submission of Report MY 2040.

	Revised 2000/01	Prelim 2001/02	Forecast 2002/03
(1,000 tons)			
Beg Stock	1368	1,216	920
Production	11,937	11,500	12,300
Imports	108	370	200
Total Supply	13,413	13,086	13,420
Exports	10,023	10,600	10,300
Domestic Use	2,174	1,566	2,020
Ending Stock	1,216	920	1,100

## Quarterly Outlook for Palm Oil

	2001 1/	2002 2/	2001 1/	2002 2/
	Apr-Jun	Apr-Jun	Jul-Sep	Jul-Sep
Beg Stocks 3/	1251	1170	1031	910
Prod- Pen.Mal	1833	1622	1999	1775
- East Mal	999	1110	980	1235
- Total	2832	2732	2979	3010
Imports	38	47	32	100
Total Supply	4121	3949	4042	4020
Exports 4/	2557	2680	2337	2700
Dom Disap 5/	533	359	489	400
End Stocks	1031	910	1216	920

1/ Revised;

2/ Forecast;

3/ Stocks including crude and refined for all Malaysia;

4/ Exports exclude shipments of fatty acid oil distillate  
and all intra-Malaysia trade;

5/ residual

**Production**

	2001	2001	2002	2002	2002
	July	Jan-July	Jun 1/	July	Jan-July
(In 1,000 MT)					
CPO:					
Pen. Malaysia	627	4233	581	654	3797
East Malaysia	270	2333	363	355	2546
- Total /1	897	6566	944	1009	6343
Palm Kernel : Malaysia	254	1879	248	269	1753
Palm Kernel Oil: Malaysia	126	873	109	119	799
Palm Kernel Meal: Malaysia	146	1020	126	139	930

1/ Revised

## Prices

(Crude delivered basis; RBD Oils in Bulk, FOB Malaysia)

	Local Crude	RBD Palm Oil	RBD Olein	RBD Stearin
	RM/MT	US\$/MT	US\$/MT	US\$/MT
Aug 2001	1216	333	358	285
Sep	998	274	281	240
Oct	860	235	244	229
Nov	1053	290	306	247
Dec	1107	302	318	244
Jan	1166	322	336	254
Feb	1121	302	318	252
Mar	1144	311	327	265
Apr	1163	317	331	280
May	1262	337	352	314
June	1437	392	403	381
Jul 2002 1/	1378	373	384	363
Aug (till 14 <sup>th</sup> )	1462	397	411	369

1/ Revised

Exchange Rate (July 16, 2002): US\$1.00 = RM3.799

**Stocks**

	2001	2002	2002	2002
	July	May	Jun 1/	July
(In 1,000 MT)				
Crude P. Oil	450	507	449	488
Processed PO	472	423	464	454
- Total PO	922	930	913	942
Palm Kernel	92	88	94	101
P. Kernel Oil	265	293	278	270

1/ Revised.